

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
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DRAFTED BY EB/ORF/FSE:DJETT:MEP
APPROVED BY EB/ORF/FSE - RICHARD R. MARTIN
EUR/CAN - DBLAKEMORE (SUBS)
-----032335Z 063498 /66

P R 032037Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA PRIORITY
INFO AMCONSUL MONTREAL
AMCONSUL VANCOUVER

C O N F I D E N T I A L STATE 128604

E.O. 11652: GDS

TAGS: ENRG, CA, EWWT

SUBJECT: ENERGY: KITIMAT CONSORTIUM PULLS BACK APPLICATION

REF: OTTAWA 4584

1. HARRY WILLIAMS OF ASHLAND OIL PROVIDED THE DEPARTMENT
WITH THE FOLLOWING PRESS RELEASE WHICH WAS ISSUED JUNE 2:

" KITIMAT PIPE LINE LTD. (KITIMAT) AND ITS PARTICI-
PANTS HAVE REVIEWED AND GENERALLY ENDORSE THE APPLICATION
OF TRANS MOUNTAIN PIPE LINE COMPANY LTD. RECENTLY FILED
WITH THE NATIONAL ENERGY BOARD.

KITIMAT HAS FILED A LETTER WITH THE NATIONAL ENERGY
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BOARD REQUESTING THE BOARD NOT TO HOLD A HEARING ON
KITIMAT'S APPLICATION AT THIS TIME AND THAT IT BE HELD
IN ABEYANCE OR STAND ADJOURNED. THE LETTER RESPECTFULLY
ASKS THE NATIONAL ENERGY BOARD TO SET TRANS MOUNTAIN'S
APPLICATION DOWN FOR HEARING AT AN EARLY DATE.

THE TRANS MOUNTAIN PROJECT REQUIRES CONSIDERATION

AND APPROVAL BY GOVERNMENTAL AND REGULATORY AGENCIES
IN THE UNITED STATES AND CANADA. SHOULD THE NECESSARY
APPROVALS NOT BE FORTHCOMING IN A MANNER SATISFACTORY

TO KITIMAT PARTICIPANTS, KITIMAT REMAINS A VIABLE
ALTERNATIVE AND WOULD LIKELY PROCEED WITH ITS APPLICATION.

THE PRIMARY OBJECTIVE OF KITIMAT PIPE LINE
LTD. AND ITS PARTICIPANTS WAS AND CONTINUES TO BE THE
DELIVERY OF SUFFICIENT OFFSHORE CRUDE OIL FROM THE WEST
COAST TO THE INTER-PROVINCIAL PIPE LINE TERMINAL IN
EDMONTON TO MEET THE DEMAND OF NORTH TIER REFINERS IN
THE UNITED STATES AND ANTICIPATED CANADIAN REQUIREMENTS.
EXPANSION OF THE TRANS MOUNTAIN SYSTEM TO MEET UNITED
STATES AND CANADIAN REQUIREMENTS WOULD APPEAR TO MEET
THIS OBJECTIVE.

THE VARIOUS GOVERNMENTS INVOLVED MUST CONSIDER
THE APPARENT NEED FOR A WEST COAST PORT FACILITY.
POLICY DECISIONS IN THIS REGARD SHOULD BE TAKEN AND AN
ACCEPTABLE PORT SELECTED TO RECEIVE CRUDE OIL TANKERS.

THE KITIMAT OIL PORT INQUIRY, CONDUCTED BY DR.
ANDREW THOMPSON AS COMMISSIONER, WAS ESTABLISHED AS
PART OF THE CANADIAN DECISION MAKING PROCESS. IT IS
PRESUMED THIS INQUIRY WILL CONTINUE TO CONSIDER THE
IMPLICATIONS OF TANKER TRAFFIC ON THE WEST COAST.

KITIMAT WILL COMPLETE STUDIES IN PROGRESS AND
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CONTINUE TO MAINTAIN AN OFFICE IN VANCOUVER UNDER THE
DIRECTION OF MR. JACK CRESSEY, VICE PRESIDENT AND PRO-
JECT MANAGER."

2. WILLIAMS INDICATED HE WANTED TO EMPHASIZE TO THE
DEPARTMENT THAT THE ABOVE DOES NOT IMPLY A WITHDRAWAL
OF SUPPORT BY THE KITIMAT CONSORTIUM FOR THEIR PROJECT.
IT WAS INSTEAD A STRATEGY DESIGNED TO TRY TO GET A DE-
CISION FROM THE CANADIANS.

3. THE KITIMAT REASONING IS THAT BY ENDORSING THE
TRANS MOUNTAIN PROJECT THEY WILL ELICIT A DECISION.
IF TRANS MOUNTAIN IS RULED OUT FOR ENVIRONMENTAL REASONS
THIS WOULD LEAVE KITIMAT AS THE MOST VIABLE OPTION.

4. WHEN ASKED HOW HE FELT THE CANADIANS WOULD DECIDE
WILLIAMS SAID HE HAD NO GUESS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Handling Restrictions: n/a
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